Specifications and Approval Procedures for the Reproduction of New Mexico Forms RPD-41360, *Annual Withholding of Oil and Gas Proceeds Detail Report*, and RPD-41367, *Annual Withholding of Net Income From a Pass-Through Entity Detail Report*

Before you begin reproducing New Mexico tax forms, please read the *General Specifications and Approval Procedures for the Reproduction of New Mexico State Tax Forms*. The document can be found on our web site at www.tax.newmexico.gov, click on Publications and scroll to Software Developers.

Form vendors and software developers who propose to reproduce, develop, distribute and/or use New Mexico tax forms must receive approval to generate any substitute[1] New Mexico State Tax form. A substitute form must meet the requirements of the New Mexico Taxation and Revenue Department (TRD) and must be approved prior to release or distribution. TRD reserves the right to reject substitute forms with poor legibility or forms that do not meet the Department's requirements.

Once approved, additional approvals are not needed until a new version of the form is released. Software developers and form vendors are responsible for ensuring that they are using the most current version of the form, instructions and specifications.

Form RPD-41360 is a continuous use scannable form and RPD-41367 is a tax year specific form and both are discussed in this publication.

This specifications and approval procedures document describes the layout, form design features, and the approval and testing procedures. There are two (2) separate *Form Design Images*, for each form. One with a grid and one without a grid, to show how Forms RPD-41360 and RPD-41367 should look when printed by your software or product. You will need the form specifications and approval procedures document and each of the *Form Design Images* to develop Forms RPD-41360, *Annual Withholding of Oil and Gas Proceeds Detail Report,* and RPD-41367, *Annual Withholding of Net Income From a Pass-Through Entity Detail Report*.

The *Form Design Images* identify the placement of the 3 of 9 Bar Code, the Form Text and the Variable Data[2]. Red boxes and red text may be displayed on the images to indicate where to place certain design features. Do not print the grid, red boxes or red text on your report.

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[1] A substitute form is any form produced and made available by any entity other than TRD.

[2] "Variable Data" is taxpayer specific information.

The 3 of 9 Bar Code requires exact placement. Variable data and form text must be within the area specified on the *Form Design Images*. In addition to the placement of the variable data, the *Form Design Images* also defines the type of characters allowed within a field; any special characters required or excluded within a field; how a field should appear on paper, and the maximum field length.

You will be provided *Form Design Images* with and without a grid. The grid is used to help guide placement of the information on the page. The non-grid form is available to show you what the final forms should look like.

Reminder: Do not print the grid, red boxes or red text on software vendor form.

DESIGN FEATURES

VENDOR CODE
The Vendor Code is a four-digit code identifying the Software Developer whose application produced the form. The National Association of Computerized Tax Processors (NACTP) assigns vendor codes. If you do not have a NACTP Vendor Code, contact Rose Romero at (505) 827-2481 for more information. The vendor responsible for the creation of the 3 of 9 bar code will place its vendor code within the bar code data.

3 OF 9 BAR CODE
The 3 of 9 Bar Codes are placed in the upper right-hand corners of Forms RPD-41360 and RPD-41367 within the area depicted on the *Form Design Images*.

The following requirements for Bar Codes must be followed exactly:

> Placement: Rows 4, 5, 6, 7 and 8, columns 50-76.
> Recommended height is 2/3-inch.
> Height-to-Length Ratio 1:4
>
> **Narrow-Element Width**
> The minimum narrow-element width is 0.5mm.
> The maximum narrow-element width is 1.25mm.
> **Wide-Element Width**
> The minimum wide-element width is 1 mm.
> The maximum wide-element width is 2.5 mm.
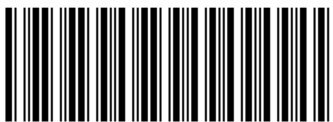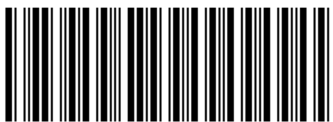> **Wide-to-Narrow Ratio**
> The minimum wide-to-narrow ratio is 2.25:1.
> The maximum wide-to-narrow ratio is 3:1.

Inter-character Gap must be greater than the size of the narrow element, but no greater than 2.5 times the size of the narrow element. A quarter-inch "quiet zone" in which there is no printing at all must be preserved to the left and right. The 3 of 9 Bar Code is an eight (8)

digit number that identifies the form, sequence and the vendor that produced it. If a second company is responsible for creating the variable data, DO NOT include their four-digit vendor code in the 3 of 9 Bar Code. In this table the 9999 represents your vendor number.

Table 1

Form Name	Display[3]	Value
RPD-41360, Annual Withholding of Oil and Gas Proceeds Detail Report – page 1		118289999
RPD-41360, Annual Withholding of Oil and Gas Proceeds Detail Report - page 2		118299999
RPD-41367, Annual Withholding of Net Income From a Pass-Through Entity Detail Report – page 1		119089999
RPD-41367, Annual Withholding of Net Income From a Pass-Through Entity Detail Report - page 2		119099999

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[3]
  Size and Length-to-Height ratios of bar codes in this table are not to specifications.

FORM TEXT

The text on your form must be printed verbatim and placement must be **exactly** positioned within the area specified on the *Form Design Images*. The font type and font size must be similar to the font used on the *Form Design Images*. Abbreviations may be accepted, provided they follow the Tax Form Design Standards and Guidelines set by the NACTP. The guidelines and standards document can be found on the NACTP web page at www.nactp.org.

VARIABLE DATA

The field descriptions include the following descriptors to describe what type of characters may be included (or excluded) and the layout of the data required within a field. **Variable data requires exact placement.**

Variable "9" – Represents a numeric character (0 through 9) within a field.
Monetary fields – When the character "9" is found within a monetary field, you must right adjust the numbers; do not pre-fill with zeros; do not include special characters, other than a decimal and a comma before every third left-most digit within the monetary amount. For example, the field definition for a monetary field typically appears as "999,999,999". If the amount to be entered in the field is $89,500.00, enter the number as "89,500". If no entry is required, leave the field blank.

Date fields – Each field will indicate the format of the date to be placed in the field. The format will contain the following indicators M = Month, D = Day, C = Century, Y = Year. If no entry is required, leave the field blank.

Variable "X" – Represents an alpha/numeric field. Characters may be A through Z (uppercase only), 0 through 9 and the special characters ampersand (&), space ( ), comma (,), hyphen (-), period (.). No other character is allowed within the field. Generally, the field is left justified.

Maximum field length – The maximum number of characters within a field is identified on the Form Design Images. You may not exceed the number of characters shown on the image for any specific field. The total characters include any required characters, such as commas and a decimal point within a monetary sum.

APPROVAL/TESTING PROCEDURES FOR FORMS RPD-41360 AND RPD-41367

Department approval must be obtained prior to releasing or distributing scannable tax forms as a paper copy or as a part of software product. Software developers and form vendors who create these forms **cannot** choose to create this substitute form without a 3 of 9 Bar Code (non-scannable).

The Department does not review or approve the logic of specific software programs, nor does the Department confirm the calculations on the forms produced by these programs. The accuracy of the program remains the responsibility of the software developer, distributor or user. However, if the form is approved but a scannable feature on the form fails to follow the published specifications for the scannable feature, then the Department may rescind the approval of the software developer's forms. An example would be if a 3 of 9 bar code on the form contains an incorrect form identification number.

Willful noncompliance with the Department's requirements could result in the rescinding of a software developer's forms approval.

TIME SCHEDULE
Form RPD-41360 and Form RPD-41367, are tax year specific forms that must be approved each year. Scannable substitute forms cannot be submitted after January 25th or before May 28th. The Department cannot test the scannable features of the forms during this time.

FORMS WILL BE APPROVED ONLY WHEN:
- The forms are legible and scannable;
- the appearance of the form conforms **exactly** to the specifications;
- all form text and variable fields are within the area specified, and
- the 3 of 9 Bar Code is included on the form.

A note on submitting these new forms to the Department. Form RPD-41367 is a tax year specific form that is tied to the processing of Forms S-Corp, PTE and FID, however the

taxpayer's Detail Report should be submitted to the Department separately from Forms S-Corp, PTE or FID. For both Forms RPD-41360 and RPD-41367, we will have developed a New Mexico web application and a bulk file application for filing this form. The application is scheduled to be completed in January 2012. Forms RPD-41360 and RPD-41367 can also be mailed to the Department, however we encourage you to e-file the detail reports.

APPROVAL PACKAGE

Note: Form RPD-41367 should be submitted separately for tax year 2011 approvals. You should not include them in your test package for the S-Corp, PTE and FID packets and you do not need to submit a letter of intent stating that you will be developing this form.

To obtain approval for these scannable substitute forms, submit a cover letter that includes contact information, an e-mail address, your vendor code and a list of the submitted forms. Each test packet should include, one set of blank forms, one set with "full-field" filled[3] variable data, and two sets completed with sample[4] variable data printed on the forms.

When scannable forms are received, the scannable features are first tested using our current processing equipment. If the scannable feature does not have the correct content, the form is returned to the vendor without approval. Upon receipt of the form where the scannable feature passes testing, review of placement of the form text and variable data is performed. Content of the form is also reviewed at this time. If more than 3 errors are discovered during this review, the form will be returned without approval. **The software vendor is responsible for proofreading forms.**

Allow ten days upon receipt by the Department for a response to the first submission of a form. The form approval package must be mailed to:

> New Mexico Taxation and Revenue Department
> Revenue Processing Division
> Attention: Rose Romero
> Manuel Lujan Sr. Building
> 1200 S. St. Francis Drive
> Santa Fe, NM 87505

For more information contact Rose Romero by phone (505) 827-2481, fax (505) 827-2505, or E-mail address rose.romero@state.nm.us or Gale Kessler by phone (505) 827-1746, fax (505) 827-2505 or E-mail address gale.kessler@state.nm.us.

Please send e-mail correspondence to both Rose Romero and Gale Kessler.

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[3] "Full-field" filled is a form with a character filling all possible locations and positions for variable data, i.e., "9" for numeric and "X" for alpha/numeric values.

[4] TRD publishes test scenarios for personal income tax only. You must create your test scenarios.